

## TABLE OF CONTENT

	<b>PAGE</b>
1. INTRODUCTION	1- 4
2. MONTHLY PROJECTIONS OF REVENUE BY SOURCE	5
3. MONTHLY PROJECTIONS OF EXPENDITURE BY VOTE	6
4. CASHFLOW	7-8
5. CAPITAL EXPENDITURE BY VOTE	9
6. QUARTELY PROJECTIONS OF SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS	
✓ MUNICIPAL MANAGER’S OFFICE	10
✓ MANAGER: CORPORATE SERVICES	11
✓ MANAGER: FINANCIAL SERVICES	12
✓ MANAGER: PROTECTION SERVICES	13
✓ MANAGER: COMMUNITY SERV ICES	14
✓ MANAGER: TECHNICAL SERVICES	15
7. CAPITAL PROJECTS PER CATEGORY	16-17

# SECTION 1

## INTRODUCTION AND BACKGROUND

### 1.1 Introduction

**Section 1 of the Municipal Finance Management Act (No. 56 of 2003) defines the SDBIP as:**

“a detailed plan approved by the mayor of the municipality in terms of section 53(1 (c) (ii) for implementing municipality’s Delivery of services and the execution of its annual budget and which must include (as a part of the Top-layer) the following:

(a) Projections for each month of-

- (i) Revenue to be collected, by source: and**
- (ii) Operational and Capital expenditure, by vote.**

(b) Service delivery target and performance indicators for each quarter”

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipality manager should start the process to prepare the top-layer of the SDBIP no later than tabling of the budget (around March or earlier) and preferably submit draft SDBIP to the mayor by 1 May (for initial approval). Once the council approves the budget, the municipality manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and

performance agreement of the municipality manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be light form of monitoring. The council should reserve its oversight role over performance at the end of financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on output by clarity of service delivery expectations, expenditure and revenue requirements, and service delivery target and performance indicators.

The SDBIP provides the vital link between the mayor, council and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the community to the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the senior managers determined at the start of every financial year and approved by the mayor. It must also be with outsourced service delivery agreement such as municipal entities, public-private partnerships, service contracts and the like.

## **1.2 The SDBIP concept**

Municipal managers are encouraged to develop the SDBIP concept further so that it is meaningful and useful to managers. Many municipal managers will already have some form of management plan and the challenge is to develop such management plans as SDBIP.

Whilst the budget sets yearly service delivery and budget target (revenue and expenditure) it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-year target must be based on quarterly and monthly targets, and municipal manager must ensure that the budget is built around quarterly and monthly information. Being a start of the year planning and target tool, the SDBIP gives meaning to both in-year reporting in terms of section 71(monthly reporting), section 72 (mid-year report) and of year annual reports.

The SDBIP is essentially the management and implementation tool which sets in year information, such as quarterly services delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resource to be used. The SDBIP indicates the responsibilities and outputs for each of the senior managers in the top management team, the inputs to be used, and the time deadlines for each output. The SDBIP will therefore determine the performance agreement of the municipal manager and senior managers, including the output and deadlines for which they held responsible. The SDBIP should also provide all expenditure information

(for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this possible, to support ward councillors in service delivery information.

The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and the municipal manager to be pro-active and take remedial steps in the event of poor performance. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the council to monitor the performance of the municipality against quarterly targets on service delivery.

Being a management and implementation plan (and not policy proposal), the SDBIP is not required to be approved by the council-it is however tabled before council and made public information for the purpose of monitoring. The SDBIP should be seen as a dynamic document that may ( at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account. However,

the top layer of the SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes in service delivery targets and performance indicators, this must be within the approval of council, following approval of an adjustment budget (section 54(1)(c) of MFMA). This council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

### **1.3 Timing and Methodology for the Preparation of the SDBIP.**

Section 69(3) (a) and (b) of the MFMA requires the accounting officer to submit a draft SDBIP to the mayor no later than 14 days after the approval of the budget and drafts to the performance agreement as required in terms of section 57 (1) (b) of the Municipal System Act. The mayor in accordance with section 53(1)(c)(ii) of the MFMA.

These are the legal requirements and deadline limits to assist a municipality to comply with the law-however, best practice suggests that this be done earlier by municipalities, starting with senior managers to draw up their second layer departmental SDBIP in the early stages of the planning and budget preparation process in line with the strategic direction set in the IDP. The mayor and municipal manager should lead this process.

The municipality should ideally publish its draft SDBIP with its draft budget. Or soon after as supporting documentation to assist its budget hearing process normally held at the end of March or in April. As noted above, the SDBIP should be submitted to the mayor by 1 May at the least. If the draft SDBIP is to be provided for the budget hearing, the municipality may want to bring this date forward, or provide departmental SDBIPs as supporting information to the relevant committee around the end of March. In this case, the mayor will need to approve such department or draft SDBIP by mid March, it should be noted that it is up to the municipality to determine extra detail, and whether they wish to bring forward their deadlines for submission and approval. A municipality could also opt to have a high level SDBIP complete with ward break-down for tabling and publication, but may also in addition make available lower layer departmental SDBIPs and other information as requested by council.

With careful planning of the budget process it may be possible for the mayor to approve the SDBIP in less 7 days after the council approves the budget, legally to take account of possible revisions to the budget; the act allows for this to occur not later than 28 days after budget approval.

The SDBIP is a key management implementation and monitoring tool, which provides operational content to the end of the service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal manager and all top managers, whose performance can then be monitored through section 71 monthly reports, evaluated through the annual report process.

**NONGOMA MUNICIPALITY - SDBIP 2010/2011**  
**MONTHLY PROJECTIONS OF REVENUE BY SOURCE**

REVENUE BY SOURCE	FULL YEAR ESTIMATE	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
		R	R	R	R	R	R	R	R	R	R	R	R
Property Rates	3,798,623	316,552	316,552	316,552	316,552	316,552	316,552	316,552	316,552	316,552	316,552	316,552	316,552
Property Rates - penalties and collection charges	332,448	27,704	27,704	27,704	27,704	27,704	27,704	27,704	27,704	27,704	27,704	27,704	27,704
Service charges - electricity revenue from tariff billings													
Refuse Tariffs	695,876	57,990	57,990	57,990	57,990	57,990	57,990	57,990	57,990	57,990	57,990	57,990	57,990
Rental of facilities and equipment	135,571	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298
Fines	16,384	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365
Licences and Permits	1,891,262	157,605	157,605	157,605	157,605	157,605	157,605	157,605	157,605	157,605	157,605	157,605	157,605
Subsidies and Grants	84,282,000	31,473,000		19,301,000		16,503,000		532,000		16,473,000			
Lost Books	1,286	107	107	107	107	107	107	107	107	107	107	107	107
Interest	257,840	21,487	21,487	21,487	21,487	21,487	21,487	21,487	21,487	21,487	21,487	21,487	21,487
Other	608,356	50,696	50,696	50,696	50,696	50,698	50,696	50,696	50,696	50,696	50,696	50,696	50,696
<b>Total Revenue by Source (Balanced to cash flow)</b>	<b>92,019,646</b>	<b>32,117,804</b>	<b>644,804</b>	<b>19,945,804</b>	<b>644,804</b>	<b>17,147,806</b>	<b>644,804</b>	<b>1,176,804</b>	<b>644,804</b>	<b>17,117,804</b>	<b>644,804</b>	<b>644,804</b>	<b>644,804</b>





**NONGOMA MUNICIPALITY - SDBIP 2010/2011**  
**MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE BY GFS VOTES**

CAPITAL EXPENDITURE BY VOTE	FULL YEAR ESTIMATES	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
		R	R	R	R	R	R	R	R	R	R	R	R
<b>Department - municipal Manager's Office</b> Vote: Executive and Council													
<b>Department - Budget and Administration (CFO)</b> Vote: Finance and Administration ( Finance )													
<b>Department - Corporate Services</b> Vote: Finance and Administration													
<b>Department - Planning and Development</b> Vote: Planning and Development													
<b>Department - Community Services</b> Vote: Community & Social Services Vote: Sports and Recreation Vote: Housing Vote: Public Safety Vote: Health Vote: Refuse Removal Vote: Waste Management	2,843,456 2,118,308			1,761,250 2,118,308			350,000					2,493,456	
<b>Department - Electricity</b> Vote: Electricity Department - Roads and Streets Vote: Road Transport													
<b>Department - Other</b>	2,360,000			500,000			930,000			500,000		430,000	
<b>TOTAL CAPITAL EXPENDITURE BY GFS VOTES</b>	<b>7,321,764</b>	<b>0</b>	<b>0</b>	<b>4,379,558</b>	<b>0</b>	<b>0</b>	<b>1,280,000</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>2,923,456</b>	<b>0</b>

## Quarterly Projections for Service Delivery Targets and other Performance Indicators 2010/2011

[illegible]

Quarterly Projections for Service Delivery Targets and other Performance Indicators - 2010/2011

Quarterly Targets												
Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
<u>Department - Corporate Services</u>												
<u>1. Vote: Finance &amp; Administration</u>												
<u>1.1 Administration</u>												
Compilation Agenda & Minutes	No. of Agendas and Minutes	100		25		25		25		25		
Enquiries and complaints	No. of replies	120		30		30		30		30		
Municipal Website	No. of upgrades	12		3		3		3		3		
Skills Development Plan	Submit report by June 2011	1								1		
Draft 2011/2012 budget	Submit in November 2010	1				1				1		
Draft 2011/2012 budget	Published in April 2011 & website	1						1		1		
Draft S D B I P	Submit in February 2011	1						1				
Approved 2011/2012 budget	Published in June 2011	1								1		
Performance agreements and S D B I P	Made public in July 2010	1		1								
<u>2. Vote: Community and Social Services</u>												
<u>3. Vote: Housing</u>												
<u>4. Vote: Planning and Development</u>												
Draft Integrated Development Plan	Approval by April 2011	1						1				
Final Integrated Development Plan	Approval by June 2011	1								1		
Land Use Management (Urban)	Completed by Dec 2010	1				1						
Review Housing plan	Completed by March 2011	1						1				

Quarterly Projections for Service Delivery Targets and other Performance Indicators : 2010/2011

Quarterly Targets

		Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		
Vote/Indicator	Unit of Measurement			Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Explanation of Variance
Department - Protection Services												
(Manager: Protection Services)												
1.Vote: Finance & Admin (Protection Services)												
Enquiries and complaints	No. of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft S D B I P	Submit in February 2011	1						1				
2.Vote: Public Safety												
2.1 Traffic												
Road Safety Projects	No. of projects	20		5		5		5		5		
Road Signs	No. of signs	60		15		15		15		15		
Road Markings	No. of kilometers	60		15		15		15		15		
Crime Consultative Meetings	No. of meetings	12		3		3		3		3		
2.2 Fire Fighting												
Fire Inspections - Businesses	No. of inspections	100		25		25		25		25		
Rural Fire Prevention	No. of reactions to calls	20		5				8		7		
Fire Fighting	No. of reactions to calls	150								150		
3.Vote: Road Transport												
3.1 Learner's Licence												
Learner's Licences: Bookings	No. of bookings	1800		450		450		450		450		
Passes	No. of passes	1000		250		250		250		250		

Quarterly Projections for Service Delivery Targets and other Performance Indicators : 2008/2009

Quarterly Targets

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department - Financial Services												
- ( Chief Financial Services)												
1. Vote: Finance & Administration												
1.1 Budget and Management Accounts												
Compilation of financial statements in terms of MFMA	Submitted to Auditor - General by 31 August 2010	1		1								
Time schedule of key deadlines for 2009/2010 budget	Submitted in August 2010	1		1								
Budget Statements	No. of Statements	12		3		3		3		3		
Implementation of the budget	No. of reports	4		1		1		1		1		
Consolidate and prepare proposed 2011/2012 budget	Started in December	1				1						
6 monthly budget statements	Tabled in January 2011	1						1				
Adjustment budget for 2010/2011	Tabled in January 2011	1						1				
Budget related policies	Finalised in February 2011	1						1				
Draft 2011/2012 budget	Tabled in March 2011	1						1				
Draft S D B I P for 2011/2012	Tabled in March 2011	1						1				
Primary banking account detail to Provincial Treasury and Auditor-General	Forwarded in March 2011	1						1				
Draft 2011/2012 budget to National Treasury ( 3 Copies)	Forwarded in April 2011	1								1		
Draft 2011/2012 budget to Provincial Treasury ( 1 Copy)	Completed and mail in April 2011											
Appendix A completed and sent to PT and NT	Completed and mail in April 2011											
Final 2011/2012 budget to National Treasury	Forwarded in June 2011	1								1		
S D B I P for 2011/2012	Approved in June 2011	1								1		
1.2 Revenue												
Monitor the implementation of credit control and indigent policies	Reporting monthly to MFPC	12		3		3		3		3		
Monitor debt collection targets	Reporting monthly to MFPC	12		3		3		3		3		
Complaints received on inaccurate accounts	NO. of complaints	80		20		20		20		20		
Monitor progress of valuation of properties in terms of municipal property rates act	Reporting monthly to MFPC	12		3		3		3		3		
1.3 Expenditure												
DoRA reports on all grants received	Submitted Monthly	100%		100%		100%		100%		100%		
SCM reports in accordance with regulations, policy and procedures	Submitted Monthly	12		3		3		3		3		
Payroll is completed timeously and accurately	Completed within 7 working days of the end of the month	100%		100%		100%		100%		100%		
Payment of creditors on time in terms of Section 65 of MFMA	No. of creditors paid on time	100%		100%				100%		100%		

**Quarterly Projections for Service Delivery Targets and other Performance Indicators : 2008/2009**

**Quarterly Targets**

		Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		
Vote/Indicator	Unit of Measurement			Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Explanation of Variance
Department - Community Services (Manager: Community Services)												
1.Vote: Finance and Administration												
Compilation of Agendas	No. of Agendas	40		4	4	4		4		6		
Enquiries and complaints	No. of replies	100		25	5	25		25		25		
Draft 2009/2010 budget	Submit in November 2008	1				1						
Draft S D B I P	Submit in February 2008	1						1				
2.Vote: Community & Social Services												
Sport Development	No. of events	2		2								
Cultural Development	No. of events	1		1								
H I V Relief	No. of assistance rendered	10		2		2		2		4		
Youth Development Program	No. of programmes	2		1		1						
3.Vote: Sport and Recreation												
Weed eradication programme	Programme completed (hectares)	100		25		25		25		25		
Grass cutting programme	No. of hectares cut	900		225		225		225		225		
Work creation	No. of temp jobs created	100		25		25		25		25		

Quarterly Targets

[illegible]

**CASH FLOW (BUDGET) : 2010 / 201**[illegible]



PROJECT NAME	WARD	PROJECTS OBJECTIVES	QUARTER 1			QUARTER 2			QUARTER 3			QUARTER 4		
			INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE	
Ward 19 Creche	19					430,000								
Ward 10 Creche	10		500,000											
Ward 18 Creche	18													
Mpuqwini Creche									500,000					
Mbilane Creche						500,000						430,000		

PROJECT NAME	WARD	PROJECTS OBJECTIVES	QUARTER 1			QUARTER 2			QUARTER 3			QUARTER 4		
			INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE		INPUT/ RESOURCES TO BE UTILIZED	OUTPUT/ ACTUAL TO DATE	
Holinyoka Community Hall	15		1,761,250			350,000						978,781		
Mqwashu MPC														
Sibonelo Zone B Community Hall														
Ward 15 Community Hall														

[illegible]